

The Governor approved this Statement of Scope on October 13, 2015.

STATEMENT OF SCOPE
DEPARTMENT OF HEALTH SERVICES

Rule No.: Chapter DHS 1

Relating to: Uniform Fee System

Rule Type: Permanent

Type of Statement of Scope: Original.

1. Finding/nature of emergency (Emergency Rule only):

Not Applicable.

2. Detailed description of the objective of the proposed rule:

The objective of the proposed rulemaking is to update ch. DHS 1 to reflect current standards, practices, and procedures in rate setting, liability determination, ability to pay, billing, and collection for the cost of care or treatment services provided or purchased by counties or the department.

3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

Chapter DHS 1 establishes the system of fees and standardizes the determination of liability and ability to pay of individuals who receive care or treatment services rendered by the department or counties, directly or by contract, and billing and collection activities for the cost of care and treatment services provided or purchased by counties or the department as required under s. 46.03 (18), Stats.

Chapter DHS 1 became effective on September 1, 1978, and has not been substantively revised since that time. Chapter DHS 1 is outdated. Additionally, varying interpretation among the 72 counties has caused uneven application of ch. DHS 1, and its authorizing statutes.

The department proposes to clarify ch. DHS 1 to increase administrative efficiency and consistency and uniformity of application among the counties when performing the requirements under ch. DHS 1, and ss. 46.03 (18) and 46.10, Stats., for fee or rate setting and adjustments; liability determinations; ability to pay determinations, including indexing adjustment to fees and ability to pay with the Milwaukee consumer price index; and billing and collection for the cost of care or treatment services provided or purchased by counties or the department. Proposed updates to the rule would reflect of the current operating environment of multiple community services and client's increased access to insurance.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

Section 46.03 (18) (a) to (e), Stats., reads:

(a) Except as provided in s. 46.10 (14) (b) and (c), the department shall establish a uniform system of fees for services provided or purchased by the department, or a county department under s. 46.215, 46.22, 51.42, or 51.437, except for services provided under ch. 48 and subch. III of ch. 49; services provided to courts; outreach, information and referral services; or when, as determined by the department, a fee is administratively unfeasible or would significantly prevent accomplishing the purpose of the service. A county department under s. 46.215, 46.22, 51.42, or 51.437 shall apply the fees that it collects under this program to cover the cost of those services.

(b) Except as provided in s. 46.10 (14) (b) and (c), any person receiving services provided or purchased under par. (a) or the spouse of the person and, in the case of a minor, the parents of the person, and, in the case of a foreign child described in s. 48.839 (1) who became dependent on public funds for his or her primary support before an order granting his or her adoption, the resident of this state appointed guardian of the child by a foreign court who brought the child into this state for the purpose of adoption, shall be liable for the services in the amount of the fee established under par. (a). If a minor receives services without consent of a parent or guardian under s. 51.47, the department shall base the fee solely on the minor's ability to pay.

(c) The department shall make collections from the person who in the opinion of the department is best able to pay, giving due regard to the present needs of the person or of his or her lawful dependents. The department may bring action in the name of the department to enforce the liability established under par.

(b). The department may not collect from the parent of a minor receiving treatment for alcohol or drug abuse, except as provided in s. 51.47. This paragraph does not apply to the recovery of fees for the care and services specified under s. 46.10.

(d) The department may compromise or waive all or part of the liability for services received. The sworn statement of the collection and deportation counsel appointed under s. 46.10 (7) or the department secretary, shall be evidence of the services provided and the fees charged for such services.

(e) The department may delegate to county departments under s. 46.215, 46.22, 51.42 or 51.437 and other providers of care and services the powers and duties vested in the department by pars. (c) and (d) as it deems necessary to efficiently administer this subsection, subject to such conditions as the department deems appropriate.

Section 46.10 (2), (3), (8) (c) to (e), (14) (a) and (e) 5., and (16) Stats., reads:

(2) Except as provided in subs. (2m) and (14) (b) and (c), any person, including but not limited to a person admitted, committed, protected, or placed under s. 975.01, 1977 stats., s. 975.02, 1977 stats., s. 975.17, 1977 stats., s. 55.05 (5), 2003 stats., and 55.06, 2003 stats., and ss. 51.10, 51.13, 51.15, 51.20, 51.35 (3), 51.37 (5), 51.45 (10), (11), (12) and (13), 55.05, 55.055, 55.12, 55.13, 55.135, 971.14 (2) and (5), 971.17 (1), 975.06 and 980.06, receiving care, maintenance, services and supplies provided by any institution in this state including University of Wisconsin Hospitals and Clinics, in which the state is chargeable with all or part of the person's care, maintenance, services and supplies, any person receiving care and services from a county department established under s. 51.42 or 51.437 or from a facility established under s. 49.73, and any person receiving treatment and services from a public or private agency under s. 980.06 (2) (c), 1997 stats., s. 980.08 (5), 2003 stats., or s. 971.17 (3) (d) or (4) (e) or 980.08 (4) (g) and the person's property and estate, including the homestead, and the spouse of the person, and the spouse's property and estate, including the homestead, and, in the case of a minor child, the parents of the person, and their property and estates, including their homestead, and, in the case of a foreign child described in s. 48.839 (1) who became dependent on public funds for his or her primary support before an order granting his or her adoption, the resident of this state appointed guardian of the child by a foreign court who brought the child into this state for the purpose of adoption, and his or her property and estate, including his or her homestead, shall be liable for the cost of the care, maintenance, services and supplies in accordance with the fee schedule established by the department under s. 46.03 (18). If a spouse, widow or minor, or an incapacitated person may be lawfully dependent upon the property for their support, the court shall release all or such part of the property and estate from the charges that may be necessary to provide for those persons. The department shall make every reasonable effort to notify the liable persons as soon as possible after the beginning of the maintenance, but the notice or the receipt thereof is not a condition of liability.

(3) After investigation of the liable persons' ability to pay, the department shall make collection from the person who in the opinion of the department under all of the circumstances is best able to pay, giving due regard to relationship and the present needs of the person or of the lawful dependents. However, the liability of relatives for maintenance shall be in the following order: first, the spouse of the patient; then, in the case of a minor, the parent or parents.

(8) The department may:

(c) From time to time investigate the financial condition and needs of persons liable under sub. (2), their ability to presently maintain themselves, the persons legally dependent upon them for support, the protection of the property and investments from which they derive their living and their care and protection, for the purpose of ascertaining the person's ability to make payment in whole or in part.

(d) After due regard to the case and to a spouse and minor children who are lawfully dependent on the property for support, compromise or waive any portion of any claim of the state or county for which a person specified under sub. (2) is liable, but not any claim payable by an insurer under s. 632.89 (2) or (4m) or by any other 3rd party.

(e) Make an agreement with a person who is liable under sub. (2), or who may be willing to assume the cost of maintenance of any patient, providing for the payment of such costs at a specified rate or amount.

(14) (a) Except as provided in pars. (b) and (c), liability of a person specified in sub. (2) or s. 46.03 (18) for inpatient care and maintenance of persons under 18 years of age at community mental health centers, a county mental health complex under s. 51.08, the centers for the developmentally disabled, the Mendota Mental Health Institute, and the Winnebago Mental Health Institute or care and maintenance of persons under 18 years of age in residential, nonmedical facilities such as group homes, foster homes, subsidized guardianship homes, residential care centers for children and youth, and juvenile correctional institutions is determined in accordance with the cost-based fee established under s. 46.03 (18). The department shall bill the liable person up to any amount of liability not paid by an insurer under s. 632.89 (2) or (4m) or by other 3rd-party benefits, subject to rules that include formulas governing ability to pay promulgated by the department under s. 46.03 (18). Any liability of the patient not payable by any other person terminates when the patient reaches age 18, unless the liable person has prevented payment by any act or omission.

(e) 5. The department shall promulgate rules for the operation and implementation of assignments under this paragraph.

(16) The department shall delegate to county departments under ss. 51.42 and 51.437 or the local providers of care and services meeting the standards established by the department under s. 46.036, the responsibilities vested in the department under this section for collection of patient fees for services other than those provided at state facilities, those provided to children that are reimbursed under a waiver under s. 46.27 (11), 46.275, 46.278, or 46.2785, or those provided under the disabled children's long-term support program if the county departments or providers meet the conditions that the department determines are appropriate. The department may delegate to county departments under ss. 51.42 and 51.437 the responsibilities vested in the department under this section for collection of patient fees for services provided at the state facilities if the necessary conditions are met.

Section 227.11 (2) (a), Stats., reads:

(a) Each agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation. All of the following apply to the promulgation of a rule interpreting the provisions of a statute enforced or administered by an agency:

1. A statutory or nonstatutory provision containing a statement or declaration of legislative intent, purpose, findings, or policy does not confer rule-making authority on the agency or augment the agency's rule-making authority beyond the rule-making authority that is explicitly conferred on the agency by the legislature.

2. A statutory provision describing the agency's general powers or duties does not confer rule-making authority on the agency or augment the agency's rule-making authority beyond the rule-making authority that is explicitly conferred on the agency by the legislature.

3. A statutory provision containing a specific standard, requirement, or threshold does not confer on the agency the authority to promulgate, enforce, or administer a rule that contains a standard, requirement, or

threshold that is more restrictive than the standard, requirement, or threshold contained in the statutory provision.

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

The estimated time for state staff to develop the rule is 2,080 hours. The department may also form an advisory committee to assist in developing the rule.

6. List with description of all entities that may be affected by the proposed rule:

The entities that may be affected by the proposed rules include counties; clients or liable parties receiving services from the department or counties; and the Department of Children and Families.

7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:

There appears to be no existing or proposed federal regulation that addresses the activities to be regulated by the proposed rule.

8. Anticipated economic impact of implementing the rule:

The proposed rule is anticipated to have little to no economic impact if promulgated.

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